

Drilling Update - Golden Terrace South

Redcliffe Project – Leonora WA

Announcements Office

Australian Securities Exchange Limited
Sydney

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Redcliffe Gold Project Update - RC and Aircore Drilling

- RC drilling yields intercepts of 65m @ 2.49g/t and 48m @ 2.98g/t Au at Golden Terrace South from resource interpretation programme.
- Aircore drilling single metre assays received from Golden Terrace South Extension Zone including 7m @ 3.39g/t gold.

Drilling Programmes

Pacrim Energy Limited (Pacrim) has recently received assays from ongoing programmes at the Redcliffe Gold Project, near Leonora in Western Australia. These programmes comprise both RC and Aircore drilling with two objectives;

- the first to provide further resources definition prior to development,
- the second, designed to test extensions to that resource. In addition to these programmes Pacrim is undertaking geotechnical and metallurgical drilling programmes.

Several RC holes have been drilled toward the east to check critical aspects of the dip interpretation of gold mineralisation of the Golden Terrace South resource, the basis of the Mining Proposal. Preliminary assay results from 5 metre composite samples have recently been received and have confirmed substantial gold mineralisation with intercepts including **65m @ 2.49g/t (to EOH), including 5m @ 19.69g/t and 48m @ 2.98g/t (to EOH) including 5m @ 12.18g/t gold.**

Information from this drilling will be interpreted and incorporated into the resource estimate when all details, including single metre assays are received.

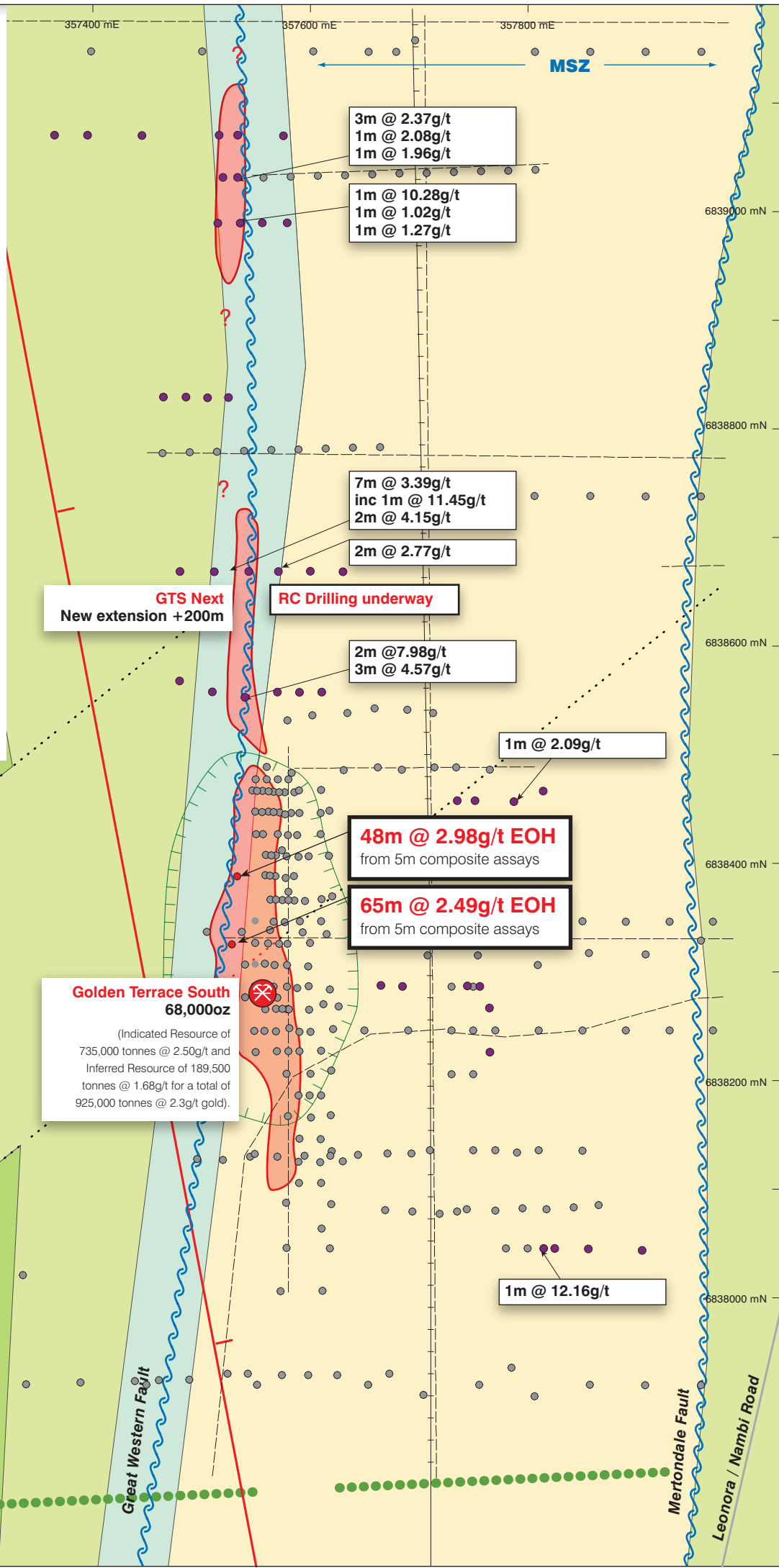
REDCLIFFE GOLD PROJECT
**Golden Terrace South
 RC and Aircore Drilling**

GDA 94 Zone 51

- Mineralised Envelope
- Proposed GTS Pit outline
- Pacrim Tenement Area
- Pacrim Gold Deposit & Endowment
- Mertondale Shear Zone
- Fault/Lineament
- Dyke
- Leonora / Nambi Road
- Black Shale & seds } Associated with MSZ
- Quartz-mica schist } Associated with MSZ
- Basalt, minor felsic volcanic ('Mixed Sequence')
- Dolerite



Note: Endowment includes past production & current resources



3m @ 2.37g/t
 1m @ 2.08g/t
 1m @ 1.96g/t

1m @ 10.28g/t
 1m @ 1.02g/t
 1m @ 1.27g/t

7m @ 3.39g/t
 inc 1m @ 11.45g/t
 2m @ 4.15g/t

2m @ 2.77g/t

GTS Next
 New extension +200m

RC Drilling underway

2m @ 7.98g/t
 3m @ 4.57g/t

1m @ 2.09g/t

48m @ 2.98g/t EOH
 from 5m composite assays

65m @ 2.49g/t EOH
 from 5m composite assays

Golden Terrace South
68,000oz
 (Indicated Resource of 735,000 tonnes @ 2.50g/t and Inferred Resource of 189,500 tonnes @ 1.68g/t for a total of 925,000 tonnes @ 2.3g/t gold).

1m @ 12.16g/t

Great Western Fault

Mertondale Fault

Leonora / Nambi Road

MSZ

357400 mE 357600 mE 357800 mE

6839000 mN

6838800 mN

6838600 mN

6838400 mN

6838200 mN

6838000 mN

Golden Terrace South RC Drilling June 2010 – Five Metre Composite Gold Assay Summary

HOLE ID	EAST	NORTH	AZ/DIP	TOTAL DEPTH	FROM	TO	INTERCEPT	G/T GOLD
GTRC208	357445	6838260	90/-60	170	45	50	5m	@ 0.53
GTRC208					80	110	30m	@ 0.65
GTRC208					125	155	30m	@ 0.51
GTRC208					160	165	5m	@ 0.13
GTRC209	357465	6838320	90/-60	110	45	110	65m	@ 2.49 (EOH)
GTRC209					70	75	inc 5m	@ 19.69
GTRC209					80	85	inc 5m	@ 4.25
GTRC209					95	100	inc 5m	@ 4.57
GTRC210	357460	6838380	90/-60	108	60	108	48m	@ 2.98 (EOH)
GTRC210					75	80	inc 5m	@ 12.18
GTRC210					95	105	inc 10m	@ 3.49

Bold figures are plus 50g.m. Gold Analyses by Kalassay using Fire Assay. Grid GDA94 Zone 51

The Company released to ASX on 15 June 2010 initial (composite) assay results from aircore drilling in an area adjacent to the current Golden Terrace South resource. Reported results included intercepts of 15m @ 2.57g/t including 5m @ 4.64g/t, and 15m @ 1.39g/t including 5m @ 2.67g/t.

These results highlighted what could be an important northern extension of the Golden Terrace South gold mineralisation. (GTS Next) Subsequently Pacrim has submitted single metre sample assays from the 5m composites in order to further define the mineralised zones. Results from re-split samples have returned intercepts including, 7m @ 3.39g/t (inc 1m @ 11.45g/t), 2m @ 4.15g/t, 2m @ 7.98g/t and 3m @ 4.57g/t gold.

Aircore Drilling May/June 2010 – Single Metre Gold Assay Summary Selected Results

DHID	EAST	NORTH	AREA	AZ/DIP	FROM	TO	INTERCEPT	G/T GOLD
GTAC226	357770	6838040	GTS	270/-60	93	94	1m	@ 12.16
GTAC229	357503	6838324	GTS	0/-90	28	29	1m	@ 14.52
GTAC255	357500	6838980	GTS Next	270/-60	38	39	1m	@ 10.28
GTAC268	357525	6838660	GTS Next	270/-60	75	82	7m	@ 3.39
GTAC268					80	81	inc 1m	@ 11.45
GTAC268					85	87	2m	@ 4.15
GTAC269	357555	6838660	GTS Next	270/-60	107	109	2m	@ 2.77
GTAC271	357525	6838550	GTS Next	270/-60	56	58	2m	@ 7.98
GTAC271					64	67	3m	@ 4.57

Bold figures are plus 10g.m. Gold Analyses by Kalassay using Fire Assay. Grid GDA94 Zone 51

These intersections from the extension zone are currently being followed up by RC drilling as they offer scope to add a potential additional strike length of over 200 metres, thus potentially increasing the mineralised zone to in excess of 600 metres length.

The results continue to provide the Company with great encouragement as it moves towards development and expanding the current gold resource base.

Pacrim anticipate providing a full exploration and development update shortly with details on current activities and results being received.



Rodney Foster (BSc Geology)

Managing Director Pacrim Energy Limited

The information in this report, as it relates to Exploration Results and Resource Estimates, is based on information compiled and/or reviewed by Rodney Foster who is a Member of The Australasian Institute of Mining and Metallurgy. Rodney Foster is the Managing Director of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Rodney Foster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

